

## Oral History Interview with William M. Rountree

Staff Officer on the Anglo-American Committee of Inquiry on Palestine, 1945-46; special assistant to the director, Office of Near Eastern and African Affairs, Department of State, 1946-48; member of the American Economic Mission to Greece, 1947; diplomatic service in Greece, 1948-49, Turkey, 1952-53, and Iran, 1953-55; Deputy Director, 1949-50, and Director, 1952, Office of Greek, Turkish and Iranian Affairs, Department of State.

September 20, 1989  
Niel M. Johnson



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Oral History Interview with  
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JOHNSON: Ambassador Rountree, I will start by asking you when and where you were born and what your parents' names are.

ROUNTREE: I was born in Swainsboro, Georgia in 1917. My father was William M. Rountree, Sr., primarily a farmer, but also Clerk of the County Court; my mother was Clyde Brannan Rountree.

JOHNSON: That's where you grew up then, in Swainsboro?

ROUNTREE: The first six years of my life were in Swainsboro, following the death of my father in 1918, after which my mother moved her family to Atlanta. I remained in Atlanta through high school, and then I moved to Washington, D.C.

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JOHNSON: Did we get the month and day of your birth?

ROUNTREE: I was born on March 28, 1917.

JOHNSON: Just before America declared war on Germany. So your father died when you were six years old, and your mother went to Atlanta.

ROUNTREE: Actually my father died when I was 18 months old, and we remained in Swainsboro until I was six.

JOHNSON: And your mother, how did she make a living then at this time?

ROUNTREE: With some difficulty. My father owned a couple of farms near Swainsboro, which she later sold.

JOHNSON: How many brothers and sisters do you have?

ROUNTREE: I had three brothers and three sisters. I was the youngest. After a few years in Atlanta, my older brothers and sisters were able to earn their own living.

JOHNSON: You went through high school in Atlanta?

ROUNTREE: Yes.

JOHNSON: And got your high school diploma in a public high school?

ROUNTREE: Yes.

JOHNSON: What did you do then?

ROUNTREE: In 1935 I went to Washington, and I got

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employment with the United States Treasury, which was a splendid opportunity for me. I found it extremely educational. I was associated with some of the finest civil servants with whom I have ever served. I enrolled first in a school of accounting and later in the school of law. I got a law degree at night, while working in the Treasury.

JOHNSON: Did you have any brothers or sisters working for the Government before you joined the Treasury Department?

ROUNTREE: Two of my sisters were in Government for a short while.

JOHNSON: How was it you made that first contact in the Government?

ROUNTREE: Through Senator George. Senator George was a friend of my family.

JOHNSON: Was that Walter?

ROUNTREE: Walter George. He introduced me to people in the Treasury Department, and through that introduction I received my first appointment.

JOHNSON: Who was your first boss, do you remember?

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ROUNTREE: My first immediate boss was a man by the name of Ludo C. Pickett, an experienced civil servant. He had been in the Treasury Department for a good many years. He took a particular interest in my instruction, and gave me opportunities to learn the Treasury procedures and accounting methods of the Government, at an early age. Our office was under the direction of Paul D. Banning, who was the Chief Accountant of the Treasury Department at the time. Mr. Banning also was an outstanding Government official, and was extremely helpful to me in developing my Government career. Indeed, it was Mr. Banning who appointed me to a task force in 1941, established at the direction of President Roosevelt, to make a survey and create the nucleus of an organization that would be responsible for the administration of the lend-lease program when it was enacted by Congress.

I participated in this activity which resulted in the creation, in the Office of the President, of an organization known as the Office of Defense Aid Reports. This served as the accounting and reporting portion of the Lend-Lease Administration after the law was enacted. Edward R. Stettinius was appointed as Administrator. Rather than return to

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the Treasury Department as I had anticipated, I was asked at that point to remain in the newly established Lend-Lease Administration as head of one of the offices. I also served as deputy to one of the assistant Lend-Lease administrators.

My experience in the Government and the training that I had with the Treasury Department were found to be useful to the program administrators coming into the Government, many for the first time.

JOHNSON: When you worked for the Treasury Department, was your office in the Treasury Building?

ROUNTREE: No, it was in one of the annexes to the Treasury Building. I was concerned with the work relief programs created by the Roosevelt administration, to deal with the effects of the Depression.

JOHNSON: PWA, WPA, CCC?

ROUNTREE: All of those things.

JOHNSON: You did some of the auditing and accounting work involved in . . .

ROUNTREE: We were responsible for the fiscal

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administration of the emergency relief programs.

JOHNSON: Did that ever bring you in contact with Harry Hopkins?

ROUNTREE: Yes, indeed, in the early days of my career.

JOHNSON: What were your impressions of Harry Hopkins?

ROUNTREE: Oh, I had a great respect for Harry Hopkins. I thought he was a very wise and able man.

JOHNSON: How did you get involved in the field of international relations?

ROUNTREE: My introduction to international relations came by virtue of my association with the Lend-Lease Administration. Before then, my concerns in Government matters had been purely domestic.

JOHNSON: Now, were you actually in the White House when you were working with Lend-Lease?

ROUNTREE: Oh, no. The organization was quite separate.

JOHNSON: Where were your offices located?

ROUNTREE: The initial offices for the Lend-Lease Administration were established at 515 22nd Street, which is now an annex of the Department of State.

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JOHNSON: Did you move from there? Was that where it was throughout the war?

ROUNTREE: Let me explain. After I became an official of the Lend-Lease Administration, the attack on Pearl Harbor occurred. The following day I filled out an application for a commission in the Army. I went in to my boss, who at that time was Thomas McCabe, deputy administrator, and talked with him about the matter. He said that he had intended talking with me that very day about the possibility of my going to Cairo. The British had requested that the United States join with them in an organization called the Middle East Supply Center, which was concerned with the supply of civilian goods to the Middle Eastern area. Most of the goods were American, and the ships bringing them to the area were American. It would be far better from the British point of view and our own if we joined with them in the organization administering this program.

The Department of State had decided to send to Cairo for this purpose a man by the name of Frederick Winant, who was a brother of our Ambassador in London. They wanted to send with Winant, as his general assistant, a representative of the Lend-Lease Administration, who could serve a

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dual purpose. They therefore wanted me to go over at least for a period of six months and assist in the establishment of this new relationship. After that time I could return to Washington and, as Mr. McCabe put it, we would then consider my application for the Army. Lend Lease Administrator Stettinius confirmed all of this when I saw him later that day.

JOHNSON: So, this would be about 1942. You're in Cairo.

ROUNTREE: This would have been 1942.

JOHNSON: For six months. So you got your first acquaintance with the Mideast?

ROUNTREE: I went to Cairo in 1942. After my first six months I received messages saying that I should remain for another six months. This went on for years, until after the war when our mission in Cairo was completed.

The operation in Cairo consisted not only of my working with the British in the Middle East Supply Center, but I became concerned with American economic operations generally throughout that area. And later, I served as deputy to the Counsellor for American Economic Operations in the region as a whole.

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JOHNSON: Did you work out of the American Embassy there in Cairo? Is that where you had your office?

ROUNTREE: Yes, for administrative purposes I was assigned to what at that time was the American Legation in Cairo. We had a separate organization, first under the direction of Fred Winant as the principal American concerned with the operation. Later, James M. Landis was sent out to head the operation. He remained for only a short while. He was replaced by Harold Hoskins. I remained in the organization throughout the service of all of these people, until the end of the war in Europe, at which time I returned to Washington.

Now, during this period I was assigned not only to Cairo but I was accredited to all of the countries in the Middle East, up to and including Iran, up to but not including Turkey, and down to and including Ethiopia. So I became quite familiar with the situation in that part of the world.

JOHNSON: You visited all of those countries then during the war?

ROUNTREE: I visited all of those countries and had responsibility for certain economic matters in all of them.

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JOHNSON: Now, lend-lease to the Soviet Union, did that come through the Mediterranean, and down through the Suez, or did that come around the tip of Africa?

ROUNTREE: It did not come through the Mediterranean during the war period; that was closed. It came up through the Persian Gulf and the . . .

JOHNSON: That means around the tip of Africa?

ROUNTREE: Around Africa, through the Persian Gulf to Iranian ports. The British and the Soviets had forces in Iran under agreements to facilitate the delivery of lend-lease materials to the Soviet Union.

JOHNSON: Yes, that was almost four years, three to four years there in that Middle East area for you during the war. You were single at this time, by the way?

ROUNTREE: I was single at this time. After the war, I returned to Washington. I had assumed that I'd return to the Treasury, but I was asked to remain in the State Department. The man who persuaded me to do this was Loy W. Henderson, who at that time was head of Near Eastern, South Asian and African Affairs. You know, when we entered the war, American interests in the Middle

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East were limited. We were not known well by the Middle Eastern countries, and to the extent that we were known, it was mainly because of American philanthropic programs. Our missionaries had done a magnificent job in the Middle East. We had an American university in Cairo, one in Beirut, and a college in Turkey. There were American schools and hospitals throughout the region. The result of these splendid missionary, philanthropic operations was that the people in the various countries of the area viewed the United States as a magnanimous and generous country with no political involvement in their affairs.

With the end of the war, the situation in the Middle East changed materially. The influence of the British and the French diminished. The responsibilities of the United States as leader of the free world greatly increased. We were required to expand our operations in the Middle East rapidly, but we had relatively few people with experience there. People like myself, who had become involved in our relations with the Middle East, were in short supply.

JOHNSON: I notice that you were an administrative officer with the Anglo-American Committee of Inquiry

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on Palestine and Related Problems in 1945-46. Was that your first job after you came back here?

ROUNTREE: No, I came back to Washington as special assistant and economic advisor to the Director of the NEA Bureau; that is, Loy Henderson. One of my assignments in that capacity was to go out with the Anglo-American Committee of Inquiry on Palestine which President Truman and the British Prime Minister established in an effort to decide what should be done about Palestine.

JOHNSON: I think one of the controversial recommendations was that 100,000 Jews from Europe should be immediately admitted into Palestine.

ROUNTREE: Yes, that was the first of ten recommendations made by the Anglo-American Committee. The recommendations generally were interrelated; that is, the acceptance of one should depend upon acceptance of all others. The committee report made this point. The recommendation that 100,000

additional Jews be permitted to go into Palestine was controversial, but it was the only one accepted by President Truman at the time of his initial reaction.

The other recommendations were never accepted,

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or for that matter, so far as I know, specifically rejected. A controversy arose over the fact that the first recommendation was the only one that was accepted. As you know, considerably more than 100,000 additional Jews entered Palestine.

JOHNSON: Apparently, the committee recommended that the mandate under Great Britain be continued, perhaps followed by trusteeship under the United Nations. I know that that became a very complicated and involved problem, which Truman tried to solve by recognizing Israel as soon as they declared a de facto government. Did you follow up on that, or did you have any follow-up responsibilities on that report?

ROUNTREE: I had no additional responsibilities for the Anglo-American Committee of Inquiry, or the subsequent commissions, committees, and individuals who dealt with the subject before Israeli independence. Not long after my participation in the work of the Anglo-American Committee, the problems resulting from the decision of the British to withdraw from Greece arose, and the Truman administration was faced with a major decision as to what the United States would do to prevent the loss

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of Greece to the communists.

The President decided to send to Greece a mission under the leadership of a distinguished lawyer by the name of Paul A. Porter, to make a survey and to find out if Greece could be saved, and if so, how; what role the United States might play in this effort. I was assigned as the State Department representative on this mission. We went to Greece and made an extensive report, which provided the framework for our initial program of aid to Greece.

As you know, at the time the Greeks were fighting a civil war. The economy already had been pretty well destroyed during World War II. At the same time the Turks had been subjected to substantial pressure from the Russians. It seemed that the pressures on Greece and Turkey could be disastrous to those countries and to our interests in the region.

JOHNSON: Did you actually go to Turkey?

ROUNTREE: Not at that time.

JOHNSON: You were just in Greece with this mission?

ROUNTREE: Yes. Our mission to Greece under Paul Porter

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resulted in the plan for American aid to Greece; Turkey was added to the program later.

JOHNSON: What were your specific duties on that mission? What were you to concentrate on, do you recall, or focus on?

ROUNTREE: On that particular mission I had primary responsibility among our members for surveying Greek industry. We had experts in a number of fields: an official from the Treasury who looked into the financial aspects; an engineer from the Export-Import Bank who provided valuable advice in connection with the infrastructure of Greece; there were specialists in agriculture and other elements of the economy.

JOHNSON: Do you remember generally what you had to say about the industrial base, or the industrial situation in Greece, in '47?

ROUNTREE: I remember the report of the Porter mission fairly well. It not only was important in formulating a basis upon which President Truman asked funds from Congress, it also served as an operating plan for the mission that was sent to Greece following enactment of the legislation by

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Congress. Initially, the mission was headed by former Governor Dwight Griswold, with the regular Embassy remaining under the direction of Ambassador Lincoln MacVeagh. Later, both the Embassy and the Aid program in Greece were headed by Henry Grady. Throughout this period we had essentially two special missions in Greece; one to serve for the economic program, and one to serve for the military program. The military aspects were headed by General James VanFleet, an outstanding officer who did a splendid job in assisting the Greeks with the military aspects of their program.

JOHNSON: Do you recall a controversy, apparently a jurisdictional controversy, between Griswold and the American Ambassador, Lincoln MacVeagh?

ROUNTREE: Yes. Both MacVeagh and Griswold were extremely good people. They were very able, but when we established our program for aid to Greece and Turkey, a mistake was made in not rendering it clear who would be in charge. The division of responsibilities between Ambassador MacVeagh, as a traditional Ambassador, and Ambassador Griswold, who was handling the aid program, created problems. Those problems eventually had to be resolved by

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replacing both Ambassador MacVeagh and Governor Griswold by a single man, who would be clearly in charge of all American operations in Greece. For this purpose, President Truman selected Henry Grady, who had had a distinguished career, and was currently serving in India as our Ambassador. At the time Ambassador Grady was sent to Greece, I was asked to go out as his special assistant for politico-economic matters. At the same time, a Foreign Service Officer by the name of Burton Y. Berry went out as his politico-military adviser. Burton and I were Grady's special advisers in his overall capacity as Ambassador and Chief of the American Mission for Aid to Greece.

Grady's appointment worked extremely well. We had, from that point, considerable cohesion in articulating American policies and in carrying out American programs in Greece. There were only minimal conflicts between the people concerned with the various facets of our policies and programs.



JOHNSON: Do you recall just generally, or approximately, how many Americans would have been in Greece working with this program, both for economic and military assistance?

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ROUNTREE: The initial report of the Porter Mission suggested that we have a very small mission of highly qualified people. We were at that time thinking of a maximum of 25 officers--perhaps a total staff of less than 50. When the appropriation was being considered by Congress, material was presented showing simply for illustrative purposes a couple of hundred staff members. When Governor Griswold went to Greece, his purpose was to staff the mission with people as highly qualified as he could find. With the help of George McGhee, who at that time was Coordinator for Aid to Greece and Turkey, he was able to get some very fine people, and he employed more than had originally been anticipated.

You recall that this was the first program of its kind that the United States had ever undertaken. It was the forerunner of the Marshall plan, the Point IV programs, and other programs undertaken by the Truman Administration to meet the new responsibilities that had been thrust upon the United States as postwar leader of the free world. Much of what we did in Greece and Turkey was breaking new ground, and what was done was not only good, it was outstanding.

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JOHNSON: That was a good size program for its day too, wasn't it? Something like \$400,000,000 was appropriated for that first year.

ROUNTREE: Yes, initially, the program in Greece was \$300,000,000, with \$100,000,000 for Turkey. The problems in Turkey were different. The aid in Turkey was primarily in the form of military assistance with highways and transportation given the highest priority. Despite the fact that a guerilla war was in progress in Greece, because the economy was simply in shambles, the larger portion of the aid had to be extended for non-military purposes. On the other and, the Turkish economy had not suffered greatly as a result of the war.

JOHNSON: Did you have any input into that speech, Truman's famous speech of March 12 in 1947, which included that phrase, "America must support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures"?

ROUNTREE: I had no input into the speech. My superior at the time, Loy Henderson, was deeply involved in all aspects of the newly articulated policy. He was the State Department's primary mover in the various facets of the Greek-Turkish aid program, and in the

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establishment of what is known as the Truman Doctrine, which is essentially what you just read. For the first time, the United States made clear that it would assist countries subjected to pressures from international communism, countries desiring and needing our help to resist efforts by the communists to overthrow them.

JOHNSON: There are some writers who feel that his rhetoric was overly simplistic. Some writers seem to think, for instance, that the metaphor of "monolithic communism" might have been overdrawn, that

these rather sharp distinctions between the "free world" and the "totalitarian world," and so on, were overdrawn. How did you see it at that time?

ROUNTREE: I saw it at the time as a realistic appraisal of the situation confronting such countries as Greece and Turkey, and a wise decision that we would simply not stand idly by and see these countries fall to international communism. We'd already seen disaster in Eastern Europe. We had seen pressures in Iran when the Soviets showed reluctance to withdraw their troops, as agreed, from Azerbaijan.

President Truman was confronted with a number

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of extremely important decisions, and I think on the whole he reacted with tremendous wisdom and effectiveness to challenges as they arose. For example, the firm position that he took in Azerbaijan was largely responsible for the decision of the Soviets to withdraw and thus avoid a major confrontation there. The decision that he took in Greece and in Turkey was responsible largely for the fact that Greece and Turkey remained outside the Soviet orbit. The decision that he took in Korea was correct, and that averted what would have been a disaster to our interests.

JOHNSON: Perhaps you have heard about this so-called "ultimatum" to Stalin over Iran, over Soviet troops in Iran. Truman apparently refers to an ultimatum, but nobody's ever been able to find any evidence of an ultimatum to Stalin over Iran.

ROUNTREE: I wonder if President Truman was not using the term "ultimatum" in a very loose sense. I am unaware of such an ultimatum, as such, but I am aware, and I think the Soviets were aware, that President Truman and the United States would not stand idly by and see Azerbaijan taken over by the Soviets. In one way or another Truman made this

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clear, although a formal ultimatum did not exist.

JOHNSON: Some scholars refer to the United States as assuming the role of world policeman and some say this dated from the time of the Truman Doctrine on Greece and Turkey and others say that that didn't really begin until American involvement in Korea. Assuming that we did take on something of that role, of so-called "world policeman," do you think this expanded role really dates from the Greek-Turkey aid, or from the Korean War?

ROUNTREE: I did not view our role as being the world's policeman, nor do I think President Truman did. But I think the responsibilities that were thrust upon us at the end of World War II required that we do many things in many parts of the world that were new to our philosophy. I mentioned earlier that United States' interests in the Middle East were limited before the war, and indeed relatively limited even during the war because we still had the British taking primary responsibility in the area while they were fighting the Germans. It was after the war, when the British Empire was tremendously weakened and its relationships with so many countries throughout the area changed, that we found ourselves

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in the position of having responsibility thrust upon us in the Middle East. We had to do things there and elsewhere that were rather strange in terms of our traditional international relations. Aid to Greece and Turkey was an example. Our voicing concern about Azerbaijan earlier was an example; other examples were the Marshall plan, the creation of NATO, the defense of Korea and so forth.

Step by step perhaps we did assume some of the role of a world policeman, but I think never deliberately. We undertook treaties one by one with countries throughout the world that placed us in a new posture in our international relations.

JOHNSON: Let's go back to the time you were Special Assistant to the U.S. Ambassador in Greece, in 1948-49. I notice, for instance, the State Department's Policy Planning Staff in January of '48 was cautious on any use of American troops in Greece, while Loy Henderson seemed to support the idea. Do you recall any controversy over troops in Greece.

ROUNTREE: I do not recall that Loy Henderson ever supported the idea of American troops in Greece. As a matter of fact, I don't recall that we ever considered the possibility of the use of American

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troops. The only relevant question, to my knowledge and recollection, had to do with the extent to which General Van Fleet's military group in the Aid mission would include military advisers, and at what levels.

JOHNSON: Do you recall any numbers, as to how many military advisers we had in Greece?

ROUNTREE: I don't remember.

JOHNSON: But the British still had some troops there, didn't they?

ROUNTREE: Not after we moved in.

JOHNSON: I guess also Henry Grady, the American Ambassador, in November 1948 argued against enlarging the Greek army which he said was already a drain on the Greek economy and he suggested some other tactics, including psychological warfare. He said that many, if not most, of the older leaders in Greece were discredited among the younger, upcoming generation. You were involved with the economic problems apparently very directly weren't you, as assistant to the Ambassador?

ROUNTREE: Yes, I was involved with all aspects of our

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aid programs in Greece, but my primary concern was the economic.

JOHNSON: What was your position then as to the affect of maintaining this large Greek army on the economy of Greece, and whether there was a lot of waste or fat in their army. Do you recall your position on that?

ROUNTREE: Not in detail. But I do recall that there inevitably were continuing discussions of the level of military forces to be maintained, and the portion of resources which should be devoted to the military programs as opposed to economic development. It was natural that people responsible for

military aspects urged greater amounts, but Grady was very effective in maintaining what I considered to be a proper balance.

Let me say that in 1948, after I had been in Greece for a year, I was asked to return to Washington, first as Deputy Director and later as Director of the Office of Greek Turkish and Iranian Affairs, which had just been created in a reorganization of the State Department. George McGhee had become Assistant Secretary for the Near East South Asia and Africa. He succeeded Loy Henderson who served in a similar capacity, but

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during his tenure the position was designated as Director of the Office of Near Eastern, South Asian and Africa Affairs. George McGhee became the first Assistant Secretary for the newly created bureau. And one of the offices in the bureau was to be for Greece, Turkey and Iran, the countries in the region adjacent to the Soviet Union, or those most directly affected by the Soviet Union. Many of the crises in the area, and the most pressing issues at the time, were related to those three countries and it was considered that the problems were sufficiently related that they should be dealt with by a single office.

Shortly after my return to Washington a number of things happened. One was the defection of Tito, and the change in Yugoslav policies which denied the Greek guerrillas the opportunity which they had enjoyed theretofore of attacking in Greece and then withdrawing over the borders to regroup and replan. This seriously affected the capacity of the guerrillas successfully to carry out raids. And it greatly increased the capacity of the Greek army to bring an early end to military operations.

With the improvement in the situation regarding the guerrilla war, the amount of resources devoted

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to the Greek army could be, and gradually were, reduced. There were many discussions as to how fast this process should take place, but I don't recall the details of differences among the various facets of the American mission, or between the mission and the Department of State. I think the objective was clear and was shared generally; it was simply a question of at what speed the objective should be met.

JOHNSON: Well, I notice the State Department, in November 1947, stated in a memo that the security of the Eastern Mediterranean and of the Middle East was vital to the security of the United States.

ROUNTREE: Would you repeat that?

JOHNSON: "The security of the Eastern Mediterranean and the Middle East is vital to the security of the United States," which, of course, meant putting a very high priority on that area and if necessary, a lot of funding, which was granted to Turkey and Greece over those years. In terms of today's dollars, I think we're talking about many billions.

ROUNTREE: Yes, following the initial appropriation of \$400 million for aid to Greece and Turkey,

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substantial additional funds were made available to those countries and to others in the region because of its importance to United States' national interests. As you know, after initiating aid programs in

Turkey, we negotiated base agreements with that country and developed a military relationship of considerable importance to us in our planning at the time.

During this period also, it became clear to a number of us that the inclusion of Greece and Turkey in the North Atlantic Treaty would greatly strengthen that organization and enhance the security of Greece and Turkey. In my new capacity as director of the Office of Greek, Turkish and Iranian Affairs, I devoted a great deal of time and energy to bringing Greece and Turkey into NATO. George McGhee, my superior in the Department, was also very interested and involved in this effort. Parenthetically, one of the first awards I received in the State Department was for my role in bringing Greece and Turkey into the North Atlantic Treaty Organization.

JOHNSON: You were promoting this from the outset apparently, but there were some who were arguing against it. I guess in Britain, Norway and Denmark,

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in particular, there were arguments that somehow this was outside Western Europe's area.

ROUNTREE: There was considerable initial opposition to the inclusion of Greece and Turkey in NATO, and it was that opposition that had to be overcome over a period of time, by persuasive arguments. In the end many, if not most, of those who had opposed inclusion, felt that it had been the right thing to do.

JOHNSON: Well, their involvement in helping the United Nations forces, and America in particular, in the Korean war, probably advanced their cause too, didn't it?

ROUNTREE: I'm sure it did.

JOHNSON: On another question, non-military, were there any pressures or any requirements for socio-economic reform in Greece or Turkey as a prerequisite for aid? Did we insist on any kind of socio-economic reform?

ROUNTREE: Not at the time. But we did insist upon the creation of mechanisms and the adoption of policies in Greece that would render it possible to achieve success in the recovery program. We had an

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understandable and justifiable interest in the political situation in Greece which would assure that the government was capable of meeting its responsibilities under the Aid program. We often voiced opinions with respect to Greek affairs. This type of involvement was new to us.

JOHNSON: Apparently, at one point, Papagos, General [Alexander] Papagos, resigned, or was forced more or less to resign by the King. There was a conflict between the King and Papagos which created some tension. Do you recall that particular controversy and how it was resolved?

ROUNTREE: All this took place a long time ago, and I frankly don't recall many of the details. But during the time immediately preceding announcement of the Truman Doctrine and aid to Greece and Turkey, the political situation in Greece became almost stalemated, and a solution was very difficult because of the parliamentary system under which they operated. There were so many political parties

represented in Parliament that it was almost impossible for them to maintain a government with real cohesion and authority.

JOHNSON: They had a proportional system of election, and

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were we pushing for a district system like our own?

ROUNTREE: They had a proportional representation system which, if I'm not mistaken, resulted in some thirty to thirty-five parties in Parliament. We urged them to adopt an arrangement that would provide stability under a majority system that would permit the government to speak and act with authority. This they did, and the ability of the Greeks to carry out programs was greatly enhanced.

JOHNSON: I think there's been some feeling among some students of Greek history that landowners and generals did tend perhaps to have too much power. Did you have any problems at the time, let's say with that situation, the role of the landlords, and the generals in dominating their society, or determining their politics? Did you see any problem with that?

ROUNTREE: Obviously there were problems, but they were not insurmountable insofar as implementation of our programs was concerned.

JOHNSON: Did we ever get involved in land redistribution, or land reform in Greece?

ROUNTREE: No.

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JOHNSON: We didn't. How about the building up of a commercial middle class? You had surveyed Greek industry. What kind of emphasis or priority did that get, to introduce industrialization into Greece?

ROUNTREE: Greek recovery was very slow until the guerrilla war was ended. Once that was over, however, the recovery exceeded our most optimistic predictions. With the success of the Air program, Greek industry began to prosper.

JOHNSON: Why was that, do you think?

ROUNTREE: There were many factors involved, one of which was the re-institution of the free enterprise system in Greece. The ingenuity of businessmen played a role in Greek recovery. The rapidity with which the Greek balance of payments problems were reduced was quite impressive.

JOHNSON: Was a good part of the aid, the economic aid, that went to Greece used, for instance, as loans to small businesses or to new enterprises that wanted to get established and capitalized?

ROUNTREE: Not initially and not directly, except for making foreign exchange available for imports. What

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happened later in the '50s with respect to the utilization of aid funds for private enterprise, I simply don't recall.

JOHNSON: Well, how was that aid distributed in general, beginning with that \$300,000,000? What was the economic portion of that \$300,000,000 and what followed?

ROUNTREE: If I recall correctly, about \$175 million went for economic aid in the first year, and that included the importation of essential goods to support the economy. Larger amounts were provided in subsequent years.

JOHNSON: Was it used somewhat like later Marshall aid was used in Western Europe? Was it used, for instance, to rebuild some of their capital equipment that had been destroyed during the war?

ROUNTREE: Yes, to a considerable extent.

JOHNSON: Did it involve roads, building . . .

ROUNTREE: Indirectly.

JOHNSON: Did it involve machine tools?

ROUNTREE: Yes, it involved machine tools, and machinery.

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JOHNSON: Locomotives maybe, rolling stock, of railroads.

ROUNTREE: I don't recall the rolling stock, but directly and indirectly Aid funds were used for most facets of the economy and rebuilding the capabilities of Greek industry.

JOHNSON: Shipbuilding maybe; some shipbuilding facilities?

ROUNTREE: I don't know whether initially there was any shipbuilding.

JOHNSON: I suppose there also would be direct relief, money for people to buy food with, or to distribute food stuffs. Was that the most urgent problem to start with?

ROUNTREE: A portion of the money was used for consumption goods of one sort or another.

JOHNSON: But we did try to emphasize capital investment?

ROUNTREE: Yes.

JOHNSON: And did that also involve American investors, private investors? Was Greece attracting private investment and to what extent would that have added to our direct aid to Greece? Do you recall if there

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was much American private investment during this time?

ROUNTREE: During the initial period there was relatively little.

JOHNSON: Did the World Bank make any loans, let's say, by 1952?

ROUNTREE: Later the World Bank did, but the extent to which they were involved I simply don't recall.

JOHNSON: It was not an encouraging place I suppose for them to invest money until their economy was reasonably healthy?

ROUNTREE: I don't recall the extent to which the World Bank played a role during the period that we're now discussing.

JOHNSON: How about Greek-Americans? Were they sending money to Greece? Did that amount to anything?

ROUNTREE: Yes. Greek-Americans and Greeks employed abroad traditionally have sent considerable money into Greece. During the guerrilla war such funds were a very important factor. Also, Greek ship owners operating vessels throughout the world

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have traditionally repatriated large sums important to the Greek economy.

JOHNSON: Was the Onassis family involved at this time?

ROUNTREE: They were, yes, but the prominence of the name grew considerably a few years later.

JOHNSON: I notice that the National Security Council had a problem producing papers dealing with the Eastern Mediterranean and the Middle East regions as a strategic entity. They were asked to prepare a paper dealing with the Middle East and Eastern Mediterranean as a strategic entity, and apparently it was not until 1952 that they got a final draft agreed upon. This process apparently was rather involved, that is the process of preparing a paper, because they would have to involve the State Department, the CIA, Office of Defense Management, and the Psychological Strategy Board, as well as the National Security Council. Did you work with the National Security Council in developing strategy papers?

ROUNTREE: I must have, but I don't recall the details at this point.

JOHNSON: How about the Psychological Strategy Board?

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Did you ever feel that it had an important role to play, or did you feel that it was an unimportant agency?

ROUNTREE: No, I never felt it was unimportant, but it was only one of the many facets of our policy planning.

JOHNSON: You felt it was very important to have counter propaganda, let's say, propaganda to counter the Soviet propaganda; that we had to develop a strong counter propaganda program?

ROUNTREE: Yes.

JOHNSON: The State Department contributed to that with the Voice of America, and there was the Psychological Strategy Board. Would those be means or outlets for American counter propaganda so to speak?

ROUNTREE: I don't recall the precise mechanisms through which this was achieved, but certainly it was one of the important facets of our relationships.



JOHNSON: We got involved with the Korean War, and that drew a lot of our military potential to the Pacific. But we also started beefing up American forces in

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Western Europe, in Germany in particular, because we apparently thought that there could be an invasion into West Germany. That seems to have drawn some of our attention away from Greece and Turkey. Or did it? In other words, when the Korean War started we felt that perhaps this was the beginning of several probes by the Soviet Union. Was that the attitude at the time that that was just one of probably several probes that would be made?

ROUNTREE: I was unaware that any less attention was focused on Greece and Turkey and Iran as a result of the Korean situation. But events in those countries, such as the end of the guerrilla war in Greece, the withdrawal of Soviet forces from Azerbaijan, and diminished pressure on the Turks resulted in less public attention being focused on that part of the world and those particular situations. But I don't think the essential purposes and objectives of the Soviets had changed.

JOHNSON: Apparently, we did not have plans for military intervention in the Middle East for the first two years of a general war. Were we not still kind of relying on Great Britain to be the policeman there in the Middle East?. Were we still relying on them

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more than upon ourselves for any direct military intervention?

ROUNTREE: We were aware that the British had a continuing interest and responsibility in many of the countries of the Middle East during this particular period. The results of the war and the changed position of the British were, however, evolving.

JOHNSON: Did you have to coordinate much with the British or did you communicate and talk to them a good deal?

ROUNTREE: There was relatively little coordination with the British with respect to the Greek-Turkish aid program, although we were always in touch on important aspects. In other aspects of the Middle East, consultation with the British in greater depth was necessary and desirable. For example, problems in Iran included disagreements between the Iranians and the British with respect to the Anglo-Iranian Oil Company

The Iranian Prime Minister at that time, a gentleman by the name of [Ali] Razmara, was attempting, with little success, to negotiate changes in the Anglo-Iranian Oil Company agreement.

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We were concerned that the British and the Iranians should come to an agreement because we felt this was terribly unsettling with respect to the security of Iran. We consulted with the British on a regular basis, with respect to all matters relating to Iran.

During this period Razmara was assassinated and there ensued a series of government crises, in which one Prime Minister followed another. At one point the Shah's closest associate, Husain Ala, was named Prime Minister but remained in office for a relatively short time. Meanwhile, pressures from the Iranian

parliament, led by Mossadegh, increased. At last the Shah felt compelled to name Mossadegh as Prime Minister, whereupon Iran's dispute with the British became critical. Mossadegh nationalized the oil company, and diplomatic relations with the British were broken. So, during the entire period in which Mossadegh was Prime Minister, and in which our concern with Iran greatly intensified, we were in constant touch with the British and made a number of efforts to bring about some kind of solution. Indeed, in an extraordinary move, President Truman sent Averell Harriman over in 1951 to try to solve the problem. I went with Harriman.

JOHNSON: How did that operate then? What was your

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experience with that Harriman mission?

ROUNTREE: I had very great respect for Averell Harriman, and felt that he made a valiant effort. I was at the time Director of the Office of Greek, Turkish and Iranian Affairs. In addition to myself, Harriman took along an oil expert by the name of Walter Levy, and Vernon Walters, who served as interpreter but was considerably more than that. We spent a number of weeks in Iran, during which Harriman had a series of talks with Mossadegh. Eventually it was arranged that we would be joined in Tehran by a specially appointed British delegation. At various times during the course of our meetings with Mossadegh, we felt that some progress was being made, but in the end the mission failed. We returned to Washington, but our very strong efforts continued from there under the direction of George McGhee. George later had many hours of talks with Mossadegh in Washington and Iran, but both of us left Washington in 1952 without having found a means of bridging the gap between Mossadegh and the British. George went to Turkey as Ambassador and I followed shortly after his deputy. For the time being I was out of direct touch with the Iranian negotiations.

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The Eisenhower Administration took office while we were in Turkey. George left Turkey and Government service temporarily, later to return in the Kennedy Administration. I was transferred from Ankara directly to Iran in 1953, at the time of the confrontation between Mossadegh and the Shah, in which the Shah was forced to leave the country. The Shah returned to Iran after a successful counter-revolution in which the Mossadegh forces were ousted.

JOHNSON: You not only coordinated with the British but apparently you were in frequent touch with American oil representatives, with American oil industry leaders. I notice, for instance, in May 1951, that you and Mr. Ferguson representing the GTI, as they abbreviated it, were involved in a discussion of the Anglo-Iranian Oil Company problem with the U.S. oil company executives operating in the Middle East. My impression is that the American executives of oil companies operating in the Middle East were taking a harder line than the State Department in terms of nationalization, that is in opposing nationalization, and therefore perhaps they were a little more oriented toward the British approach which some have characterized as very stubborn or

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even intractable. What was your feeling about the British position at the time in these controversies?

ROUNTREE: It's fairly easy in retrospect to say the British should have done thus and so, and even at the time we felt that they could and should have made a number of concessions to the Iranians and averted the crisis which was extremely expensive to them as well as to Iran. They were always prepared to make concessions, but never quite soon enough; usually they were six months behind.

I don't believe it is true that the State Department was less concerned about nationalization particularly when the effect was expropriation. Our concern about expropriation was always very firm. Nationalization with effective compensation was one thing; expropriation was another.

American companies, although there had been feelers put out by the Iranians from time to time, were concerned that they should do nothing to undermine the position of the Anglo-Iranian Oil Company. Above all, they wished to avoid any situation which would make it appear that nationalization would pay off. Once the AIOC's concession was cancelled and the Iranians took over the oil facilities, the oil operations in Iran came

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to a virtual standstill. The international oil community was not willing to assist in carrying out nationalized oil production in Iran in the absence of British concurrence.

In the confrontation between the Shah and Mossadegh it appeared initially that the Shah had lost. Revolutionary forces favoring the Shah then threw out Mossadegh and his people. When the Shah returned . . .

JOHNSON: Did you have anything to do with Kermit Roosevelt and his operation?

ROUNTREE: Roosevelt is a long-time friend of mine with whom I had official contact over many years in matters related to the Middle East. His involvement in Iran before I was assigned there; I was in Turkey. However he did come to Iran from time to time while I was there after the counter-revolution which brought the Shah back. The circumstances in which the Shah returned were described, I think, in some detail by Loy Henderson. There was a demonstration in the center of Teheran by a sports club, strong men who exercised with chains and clubs and that sort of thing. They compete with other clubs,

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sometimes publicly. In this particular appearance in public they suddenly shouted pro-Shah, anti-Mossadegh slogans, and were joined by others in the street. The numbers soon became overwhelming, and the Shah's supporters eventually took over direction of the crowds. To make a long and extremely interesting story short, Mossadegh's people were simply overwhelmed. General [Fazlollah] Zahedi, who had been in hiding, emerged to assume leadership, and the Shah was returned from his temporary exile. While this was an Iranian manifestation, it was greatly facilitated by Aid and advice provided by the CIA.

Once the Shah was back, and the Government under General Zahedi was in operation, the first order of business was to get the British back in and oil production restored. The British charge' de affaires arrived fairly soon after the Shah. As I said, I was transferred from Turkey to Iran as deputy chief of mission under Loy Henderson, who at that time was American Ambassador in Iran.

JOHNSON: During about two years there was very little oil produced in Iran. American oil companies were refusing to buy their oil, since they were boycotting Iranian oil. Was there an attempt by the

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Soviet Union at that point to try to fill in this vacuum? Do you know of any attempts by the Soviet Union to move into that situation?

ROUNTREE: Actually, there were not only attempts by the Soviet Union, but there was considerable interest on the part of Mossadegh in the Soviet market and marketing facilities as an alternative means of selling his oil. As it turned out this was quite impractical. Transportation was always one of the reasons. Once conditions were established in Iran whereby negotiations could take place, it became clear that the negotiations would not include resumption of the old relationship with Anglo-Iranian. That concession had been cancelled by Mossadegh, and would not be restored by the new government. The possible alternatives included the creation of an international consortium, consisting of companies from various countries including Britain and the United States.

The consortium approach having been agreed upon, a series of enormously complicated consultations took place. Negotiations among a number of American oil companies occurred under arrangements assuring non-violation of anti-trust laws; extensive consultation between the American

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oil companies and the U.S. Government were necessary; arrangements were concluded between the American oil companies, the Anglo-Iranian Oil Company and the British Government. All of these entities had to negotiate with the Royal Dutch Shell and the French companies. The way was then cleared for the ensuing negotiations between the consortium and the Government of Iran. All of these were enormously complicated, and many aspects created wholly new approaches in international oil arrangements. For this situation, President Eisenhower and Secretary Dulles asked Herbert Hoover, Jr., who had considerable experience in oil matters, to serve as a special advisor. He came to Iran and provided an enormously useful function in the U.S. Government's relationship to the consortium.

JOHNSON: You think he was effective in that job?

ROUNTREE: Very effective. He was highly regarded by the representatives of the oil companies and the Iranian Government. His operation was very useful as far as Loy Henderson, our Ambassador, and I as deputy chief of the mission, were concerned. He so impressed President Eisenhower and Secretary of

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State Dulles that he was asked to serve as Undersecretary of State.

The negotiations were headed on the consortium side by Howard Page, a vice president of Standard Oil of New Jersey, who was assisted by a battery of lawyers and specialists from all of the companies involved. They finally hammered out an agreement which provided the basis for the resumption of Iranian oil production. At that time, and in those circumstances, the agreement was, I think, about as good as could have been reached.

JOHNSON: Was that a 50-50 arrangement, between the companies and the host nation?

ROUNTREE: Essentially, but I don't remember the precise financial division. I do know that it was a formula which would enable the American and other oil companies involved to accept nationalization without regarding it as expropriation. It was a mutually acceptable arrangement.

JOHNSON: A satisfactory arrangement for compensation.

ROUNTREE: And it resulted in a return to full production. This all took place during the Eisenhower administration and has gotten us into

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areas beyond the Truman administration.

JOHNSON: Was the Anglo-Iranian Oil Company still a key factor, or a key player, in this arrangement?

ROUNTREE: As one of the participants in the consortium, yes. The consortium initially consisted of five American companies, plus Anglo-Iranian, Royal Dutch Shell, and the French company.

JOHNSON: So all those companies now brought technicians into Iran to operate and to explore for new oil. Also at the same time, we had a Point IV program going in Iran, which presumably was entirely separate from the oil.

ROUNTREE: It had nothing to do with oil. In addition to settlement of the oil problem, we had from the outset of the Shah's return, new and rather vital relationships with him. We had had a Point IV program in Iran for several years while Mossadegh was in office. It was useful then in maintaining American influence. After the Shah's return it was more successful in carrying out an economic development program.

There had been in operation in Iran for a number of years, an organization of American

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specialists and advisors known as Overseas Consultants. This group provided the Shah with material for his various development plans, usually on a seven-year basis. A great deal of thought had been given to Iranian development, and with the resumption of oil revenues following the consortium agreement, Iran had considerable resources to devote to those programs.

JOHNSON: Had Point IV helped them weather that period where they had virtually no oil revenues? Was it Point IV that helped them bridge that gap, and were we giving them other aid during this period, direct aid?

ROUNTREE: During the early stages of the Mossadegh regime in when we were making great efforts to encourage a solution of the oil controversy between Iran and the British, we were also trying to create a situation in which American influence in Iran could be more constructive. We undertook, when money was available under the Point IV program, to carry out an economic mission working directly with Mossadegh and his people. This mission was under the leadership of William Warne, who I think had an interview here.

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JOHNSON: Yes.

ROUNTREE: Because of the importance of Iran and the complications of the Iranian situation, it was decided by the administration to ask Henry Grady, who had been enormously successful in Greece, to leave Greece and go to Iran as American Ambassador. It was hoped that he could employ in Iran some of the experience that he had in Greece.

The difficulty from the outset of his mission in Iran was that, whereas in Greece he had considerable resources under the program of aid to Greece and Turkey, he had limited resources in Iran. Point IV was a relatively small program at that time and provided minimal funds for capital investment, budgetary assistance and that sort of thing. We endeavored over a period of many months to negotiate Export-Import Bank loans to Iran. Even if we had been successful in doing so, it would not have provided the kind of resources or the flexibility necessary to be of very substantial aid in bolstering the Iranian economy. It can be said frankly that the efforts in this direction fell far short of success, though our technical aid was of value in the long run.

At the same time, with the lack of oil

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revenues, the currency printing presses in Iran continued to operate overtime. Inflation set in. Economic predictions were that the Iranian economy would collapse in six months, in eight months, a year, or whatever time the evaluating economist might have established. It never collapsed. It's a very primitive economy in many respects, and it held together as long as Mossadegh was there. When the Shah returned to power with the government under Zahedi, they began from a very low economic level and with many pressing economic problems. Those problems could be solved only with far more resources than could be provided under our own limited aid programs. The economy urgently needed the resumption of revenues from the oil operation. When they did resume following the consortium agreement, Iran was in a pretty good financial position.

There is no question that over a period of time the Shah and his various governments devoted very substantial resources to economic development. For example, they provided impressive resources for education, including the sending of Iranian students abroad for higher education, tens of thousands each year. It is also true that they devoted great resources to military purposes. While military

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expenditures are certainly legitimate, there has been criticism of the Shah for misusing oil revenues to build up his military forces to an excessive degree. I'm not at all sure that in the circumstances all of this criticism was justified, taking into account the security threats which Iran faced.

JOHNSON: Well, we did not apparently do with Iran what we had done with Greece and Turkey, that is, we did not make massive grants of economic and military aid in the late 1940s or '50s.

ROUNTREE: No, we had very limited funds. This, I might say, was one of the great frustrations for Henry Grady. He could perceive very useful American influence in Iran, provided we had resources to assist the Iranians in the achievement of their objectives. But unfortunately, we simply were never able to provide that level of aid.

JOHNSON: But how about the Iranian society itself? Was it not a feudal type society with some very large landowners, many of whom were absentee landlords, living in luxury in Switzerland.

ROUNTREE: Yes.

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JOHNSON: We were concerned about the Tudeh party and, you know, Communist influence, but did we pay sufficient attention to the Mullahs, the grassroots Islamic agitation that was going on apparently? We didn't seem to pay much attention to that, did we?

ROUNTREE: When you say "we," do you mean the United States or the Shah?

JOHNSON: Well, either, or both.

ROUNTREE: I think the Shah's primary concern had for many years been far more the Tudeh party, and the Communists, than the Mullahs, the Islamic leaders. He always considered himself able to deal with any kind of internal dissidents. I don't think many Iranians had realized the extent to which the Ayatollah [Khomeini] might have captured the imagination of so many of the Iranian public when he returned and took over.

JOHNSON: Was Khomeini the top religious leader there in the 1950s when you were there?

ROUNTREE: No, he was not, in the '50s. There has been for many years criticism of the Shah from the religious element, but it never manifested itself in critical proportions until

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shortly before the Shah fell. It might be that if the Shah had not been in ill health, if he had not become weakened physically, he might have ridden this storm [in 1978] as he had all others.

JOHNSON: There were socio-economic changes going on, were there not? Did you notice, when you were in Iran, any resentment by the peasantry, by the majority of the peasants, toward the land-holding class and its privileges?

ROUNTREE: I'm sure there has always been that resentment. Over the years the Shah devoted a good many resources to education. He and his governments made it possible for many impoverished young people to attend the university. When they came to Teheran, to the University there, many of them, we found, were susceptible to blandishments of the Communists, the Tudeh party. Many of them become Communists. During the same period, thousands of Iranian youth were sent abroad, educated abroad. A large number of those have returned to Iran and became members of the Communist party.

Now, this may answer your question as to whether there has been, over the years, substantial resentment on the part of the youth of Iran to the

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landowners and other members of the privileged class. It was often said that the reason they do become Communists was that once they were educated, they realized that their possibilities within the economy and the social structure were extremely limited, and they looked for other ways of achieving their aspirations.

JOHNSON: As far as public education is concerned, it seems that something like 90 percent of the Iranians were illiterate. In other words, there was no local education except perhaps for the Mullahs who taught religion. Is that true?

ROUNTREE: I don't know the exact percentage of illiteracy, but it was very high.

JOHNSON: So the Shah's investment in education was mainly at the upper levels, it seems. Is it true that almost all of the oil revenues were used to run the government in Teheran, and that not much of that revenue ever got out to the villages?

ROUNTREE: This is a criticism that has been leveled against the Shah, I believe to an exaggerated degree.

JOHNSON: Did you notice that when you were there in the

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mid-'50s?

ROUNTREE: When I was there in the mid-'50s there were efforts being made to carry out development programs under the seven-year plan. It is certainly true that the vast majority of the resources available to the Shah and to his governments were spent for governmental programs which were not getting all the way down to the villagers in the most remote regions of Iran.

JOHNSON: About 89 percent of the people lived in the villages, didn't they?

ROUNTREE: Yes.

JOHNSON: Then, after your service as Counselor and Deputy Chief of Mission in Teheran from 1953 to '55, you became Deputy Assistant Secretary of State and Assistant Secretary of State for Near Eastern, South Asian and African Affairs from 1955-59. So you were still working with those problems apparently in what was called the "Northern Tier." Was that term used in the State Department in those days? Did they refer to that as the Northern Tier, those three countries?

ROUNTREE: Occasionally.

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JOHNSON: Was that still the focus of your attention-- Greece, Turkey, and Iran?

ROUNTREE: No. During my service as Assistant Secretary of State, my concern was broadened considerably. I was responsible for a vast area which included the Near East--the Arab states and Israel.

JOHNSON: The Suez crisis, for instance, and Egypt.

ROUNTREE: Yes, my area also included South Asia; that is, Afghanistan, Pakistan, India, and Ceylon.

JOHNSON: Did that include Indochina?

ROUNTREE: No. My area also included the continent of Africa and GTI--Greece, Turkey and Iran. Certainly, while the matters with which I was concerned as director of GTI, and later as deputy chief of our Embassies in Turkey and Iran, continued to concern me, I had other problems as well, including the



various facets of the Arab-Israeli dispute; the Cyprus problem; difficulties between India and Pakistan; the disputes between Pakistan and Afghanistan; various crises on the Arabian peninsula; and then the problems of the emerging states of Africa.

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JOHNSON: Had your hands full.

ROUNTREE: Yes, I was concerned with various parts of a very active region.

JOHNSON: That takes you up to 1959, and then you became Ambassador to Pakistan in 1959-62. Was that when Henry Byroade was also our Ambassador in Afghanistan?

ROUNTREE: During part of my period in Pakistan, Byroade was Ambassador in Afghanistan, yes.

JOHNSON: And there was some contention, was there not, between Afghanistan and Pakistan over Pushtunistan.

ROUNTREE: Yes. Actually during the latter part of my stay there there was some military conflict between the two countries. A long-standing argument between Pakistan and Afghanistan erupted and we exerted great efforts to bring about a peaceful settlement.

JOHNSON: Well, I suppose we should just summarize quickly too that you then went to Sudan in 1962 and were there until '65 as Ambassador, and in South Africa from 1965-70 and in Brazil from 1970-73. Did you retire then in '73?

ROUNTREE: I retired in 1973.

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JOHNSON: Okay, just looking back quickly again, the Iranian situation, of course, is certainly one of the most difficult and one of the most important problems you had to deal with, at least until you became Ambassador to Pakistan. Did you feel that we really had much influence with the Shah, and if we did have such influence, do you think we, in hindsight at least, were giving him proper advice?

ROUNTREE: We always had influence with the Shah but not compelling influence. That is, the Shah always valued his relations with the United States, and enjoyed, during his life, remarkably good relations with every American administration. Many people overestimate the extent to which American influence can be effective in any given country. Our advice to the Shah over the years could have been better, but on the other hand, if the Shah had adhered to the advice which he received from us, Iran would have been in a much better position at the time of his demise. In other words, I do not go along with the idea that his failure was the result of the lack of good advice from the United States.

JOHNSON: Does that include land reform? Did we advise him to go much farther than he did with land reform?

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ROUNTREE: We have given advice to Iran, most of which has been good. The extent to which advice is taken, and acted upon, depends upon many circumstances, which can be evaluated only by the leaders of the country concerned.

JOHNSON: Because of his strategic position, was it not a constant concern on our part that they not be attracted into the Soviet orbit? Because of this constant concern about their strategic position, did we tend to bend over backwards to accommodate the leadership in Iran because of its strategic position?

ROUNTREE: I don't think the United States ever felt that there was any real danger of the Shah becoming unduly influenced by the Soviet Union, but every American administration clearly attached great importance to maintaining a good relationship with Iran.

JOHNSON: Did we think that another Mossadegh could get into power, or the Mullahs in particular? Did we foresee what the Mullahs were going to do at all?

ROUNTREE: I don't think anyone could have predicted the events as they actually transpired, but everyone

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having responsibility for relations with Iran over the years has been aware that there was a very delicate situation related to the religious element, and there were various potentialities that could result in situations inimitable to United States interests.

JOHNSON: For instance, didn't they have a very large increase in population partly as result of Point IV programs which reduced disease? Didn't the population of Teheran in the 1950s virtually double, and this meant a high unemployment rate and many dissatisfied youth apparently coming into Iran from the countryside, from the villages? Was that a problem that became fairly explosive later on?

ROUNTREE: Well, one of may philosophize on this sort of thing. The population explosion in Iran derives from many of the same reasons that populations in under-developed countries throughout the world increased when you carried out public health programs to eradicate disease, food programs to avoid starvation, and effective measures to limit wars, all of which traditionally have limited population growths. The greatest increases in population have taken place in underdeveloped

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countries. In Africa, for example, the population explosion is tremendous.

In Iran not only did the general population increase, but larger numbers of people came to Tehran and other population centers seeking to benefit more directly from the development programs which were being carried out.

JOHNSON: Did we ever feel free to advise the Shah or the Iranian government on birth control?

ROUNTREE: I don't really know.

JOHNSON: You were in South Africa from 1965 to '70, and I suspect that apartheid was an issue then as now.

ROUNTREE: Yes. It has been an issue for a long while.

JOHNSON: What was your position on that as Ambassador to South Africa?

ROUNTREE: The United States has strongly opposed apartheid, and every administration has voiced that opposition in one form or another. Certainly, when I was there during the Johnson and Nixon administrations, part of my duty and responsibility was to make clear United States objection to apartheid and the principle of that kind of

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discrimination. We joined with the international community generally in imposing certain restrictions in relationships, and in refusing to ship military or police equipment to South Africa. Our opposition was reflected in the United Nations, at the International Court, and elsewhere.

The South Africans have never been in doubt as to our attitudes toward their racial policies. At the same time, American business firms operating in South Africa have in general exercised constructive influence. Many aspects of apartheid, such as job restrictions, have been ignored for years by American firms operating there. The manner in which they have carried out their South African activities has on the whole been of benefit to those seeking a change in South Africa.

Within recent years opposition to apartheid has intensified. We have imposed additional economic and other sanctions, and have done virtually everything that we could to encourage a peaceful transition. We have encouraged the creation of conditions in which all elements of the population can, as they should, be permitted to participate in their government.

JOHNSON: Were we necessarily promoting the idea of one

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man, one vote, or were we stopping short of that and promoting just the principle of participation?

ROUNTREE: Our attitude has always been to recognize that we can't establish the formula under which the racial problems of South Africa can be settled. We have never advocated any single formula of that sort. We have strongly urged that all elements of the population be permitted to participate in decisions which will solve these problems of inequality.

JOHNSON: Well, that problem has been about as sticky as the one in Palestine. Was Palestine in your bailiwick when you were Assistant Secretary for Near East, South Asian, and African Affairs?

ROUNTREE: Yes.

JOHNSON: That would be in the 1950s again.

ROUNTREE: Yes. During the Eisenhower administration. The only function that I performed in the Truman administration with respect to Palestine was my service, over a short period, on the staff of the Anglo-American Committee of Inquiry on Palestine.

JOHNSON: That did help serve as some background and

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some assistance to your thinking when you were Assistant Secretary, I suppose, your experience then.

ROUNTREE: Yes. We went into the Palestine question very thoroughly at the time. The knowledge I gained was valuable to me in later years when I had more direct responsibility for our relations with Israel and the Arab States..

JOHNSON: One of the recommendations of that inquiry was that the Palestinian area must not become a religious state--Jewish, Arab or whatever--which, of course, seems to have been an unrealistic hope.

ROUNTREE: One of the few concrete results of the Anglo-American Committee of Inquiry on Palestine was my marriage to my wife. That was a concrete result for which I will always be grateful.

JOHNSON: So that was a result of your involvement with that committee. How did you meet her? What's your wife's name, by the way?

ROUNTREE: Suzanne.

JOHNSON: And what was her maiden name?

ROUNTREE: McDowall.

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JOHNSON: Did you meet her in the Middle East, in Palestine?

ROUNTREE: No, she was in the office of the Secretary of State. At the time the British members of the Anglo-American Committee of Inquiry came to Washington for hearings in Washington, I had to find space for them to make their offices. One suite of offices was that used by officials who were on a trip to Europe. The only remaining employee in that suite was Suzanne. In the course of our stay in her offices, I asked if she would like to go with us to London, Europe, Egypt, and Palestine, and then stay for several weeks in Switzerland while the Committee's report was being formulated. She gave it some thought and said yes, she'd like to join us. She served as secretary to one of the members on the American side and the relationship which we established proved to be lasting.

JOHNSON: So that was one of the outcomes of that phase of your career. Did you see this as somewhat of an insoluble problem in the 1950s, the Israeli-Arab conflict?

ROUNTREE: I might not have described it as insoluble at that time, but certainly it was one of the most

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difficult problems in the world.

JOHNSON: What was your opinion at the time when we gave almost instant recognition to the new State of Israel. Did you feel that was a proper thing to do, or were you sort of favoring a trusteeship?

ROUNTREE: President Truman made some of the most courageous and correct decisions of any President dealing with international relations. I have nothing but admiration for his decisions on Greece and Turkey, which we've discussed here, and also on NATO, the Marshall Plan, Point IV, and Korea. And I have no quarrel with the essence of his decision with respect to Israel. I think it was inevitable that the Jews should achieve their ambition of a Jewish state.

I think that if President Truman had known fully the implications of the particular manner in which the Jewish state was created, and the manner in which we recognized Israel, he might have found other means of achieving that result. Many or most of the problems which we've encountered in the Middle East following World War II relate indirectly to the manner in which Israel came into being and our role. No one can be certain that it would have

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been possible at that time to bring about the creation of a Jewish State in circumstances that would have been less disastrous to our relations with the Arab world, but I think it should have been tried.

So, responding to your question as to whether or not I agreed with the decision to recognize Israel, I did in principle, but I wish that it had been treated with more deliberation and over a period of time so that we could possibly have found alternatives that would have provided less reason for Arab hostility.

JOHNSON: The Arabs opposed partition, and partition was probably the only way that the Jews could have a homeland, or state, isn't that correct? Do you think eventually the Arabs would have changed their position on partition?

ROUNTREE: I don't know, but I their attitudes would certainly have been affected by any proposed arrangements for the Arabs in Palestine.

JOHNSON: Was your thinking then along the lines of Loy Henderson's?

ROUNTREE: At the time of President Truman's recognition

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of Israel my involvement in the Anglo-American Committee of Inquiry had long ended. I was not even in Washington, in 1948, when recognition took place. I was in Greece, and so I never shared views with Loy or with others on the proclamation of the State of Israel.

JOHNSON: Do you recall if George McGhee's point of view tended to coincide with Loy Henderson's?

ROUNTREE: At the time, George had no responsibility for the Middle East. He was Coordinator of Aid to Greece and Turkey, devoting full time to that program. It was much later that he became Assistant Secretary for the Near East, South Asia and Africa, and consequently became involved in Israeli matters.

JOHNSON: Well then you followed in his footsteps, so to speak; you followed Mr. McGhee in that position, did you not, and did you tend to continue McGhee's policies?

ROUNTREE: McGhee's policies?

JOHNSON: Yes. Were you continuing his policies when you were in that position?

ROUNTREE: Let me put this chronologically. When I first

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joined the Department, Loy Henderson was the director of the Office of Near East, South Asian, and African Affairs. He was replaced by George McGhee, who under reorganization of the Department of

State, became Assistant Secretary of State for the Near East, South Asia, and Africa. McGhee served in that position until 1952 when he went to Turkey as Ambassador, and, parenthetically, I went as his deputy. He was replaced in NEA by Henry Byroade, who in turn was replaced by George Allen. I replaced George Allen in 1956 and remained in that position until 1959.

JOHNSON: Was there a continuity of policy in the 1950s on the Middle East?

ROUNTREE: I think there was remarkable continuity throughout this period involving several Presidential administrations.

JOHNSON: Were you trying to get the PLO [Palestinian Liberation Organization] for instance to recognize the right of Israel to exist? Did you have contacts with the PLO?

ROUNTREE: Not at that time. I was there much before the PLO came to a position of prominence.

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JOHNSON: But I suppose we were attempting to get the Arabs to accept the right of Israel to exist.

ROUNTREE: Yes, absolutely. That has always been at the center of our policy. There has never been any deviation from that by any administration.

JOHNSON: When Israel came across the borders in '56, the Suez crisis, you were . . .

ROUNTREE: Yes, I was Assistant Secretary at the time of the nationalization of the Suez, and when the British, French and Israeli invaded Egypt. I went through the heartbreaking episode of taking our friends and allies, the British, French and Israeli, before the United Nations.

JOHNSON: It was Dulles I suppose who was setting policy wasn't it?

ROUNTREE: Yes, it was Dulles working in close harmony with President Eisenhower.

JOHNSON: You had no problem following Dulles' policies?

ROUNTREE: Absolutely not. I had tremendous admiration for Dulles and the manner in which he handled this and other problems.

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JOHNSON: Did he measure up to [George C.] Marshall and [Dean] Acheson?

ROUNTREE: They were all great men. I have said on several occasions that I consider two of the greatest Secretaries of State we've had, to be Dean Acheson and John Foster Dulles. They were extraordinary men and I considered it a very great honor to serve under them.

JOHNSON: Well, thank you.

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